



Australian Bureau of Statistics

1351.0.55.014 - Research Paper: Analysing the Terms of Trade Effect on GDP and Employment in the Presence of Low Real Unit Labour Costs, Jul 2006

Latest ISSUE Released at 11:30 AM (CANBERRA TIME) 13/07/2006 First Issue

Summary

About this Release

During 2005 the existence of a strong labour market and relatively weak economic growth generated significant interest and debate among economic commentators and policy makers. While there is a general understanding of a lagged relationship between economic growth, as measured by GDP volumes, and growth in the labour market, as measured by employment, the nature of the relationship between these variables during 2005 seemed unusual. As part of efforts to ensure the quality of the statistical information, the ABS undertook some modelling work aimed at better understanding the relationship between GDP and employment. The results from this work suggest that the recent strength in the terms of trade and historically low real unit labour costs may have been two factors that led the relationship between GDP and employment seen in 2005 to be different from past experience.

© Commonwealth of Australia

All data and other material produced by the Australian Bureau of Statistics (ABS) constitutes Commonwealth copyright administered by the ABS. The ABS reserves the right to set out the terms and conditions for the use of such material. Unless otherwise noted, all material on this website – except the ABS logo, the Commonwealth Coat of Arms, and any material protected by a trade mark – is licensed under a Creative Commons Attribution 2.5 Australia licence